

URL: <https://ecorner.stanford.edu/clips/going-narrow/>

Alexandria Zatarain, co-founder and VP of brand and marketing at Eight Sleep, advises startups to go very narrow in their customer segmentation. She shares how Eight Sleep learned this lesson and chose to reposition their brand.



Transcript

- Is there anything that you learned that strikes you 00:00:06,540 as something that, if you knew it sooner, it would've condensed that five years down to a year, or two years? - Yes, absolutely.. 00:00:16,080 It's my favorite mantra for brand building, which is, "You can't be all thanks to all people." - Okay, speak to us about that.. 00:00:24,870 - Yeah, it's like, you gotta have the guts 00:00:27,510 to actually go very, very, very narrow in your customer segment, which feels counterintuitive, right? A lot of times when founders are speaking to investors, you're trying to paint the picture in for really big market and all this TAM, and so you're thinking big.. But when you're actually going about acquiring your customers, you have to think very niche.. "The riches are in the niches," they say too, right? And I think that was a big mistake that cost us for a long time, because what we kept trying to do, as I mentioned before, is everyone sleeps, so why don't we just speak to everyone? And so, let's create all these different messages because we understand everyone sleeps, but there's all these different profiles, so let's create all these different messages, and all these different landing pages, and all these different ads, and let's spend money on all these different newsletters, and let's work with all these different influencers, right? So you basically start diluting your effort, you startup, your five people, and you have a limited amount of money.. So when you start spreading it across, trying to reach all these different five or 10 different personas, you can imagine that the impact that you get is not gonna take you very far.. Instead, what happened for us in 2019, when we launched the pod is, prior to launching, we went through an exercise of completely repositioning the brand, and really understanding, who is our customer? How do we hone into just one segment? And then from there, everything became easier.. I don't wanna say that everything in the business is easier, but from a customer acquisition and understanding where we should deploy our money, who we should be speaking to, you know, even what press we wanna show up in, what stories do we wanna tell, just all of that aligned, because we knew exactly who we wanted to talk to...